LEGISLATIVE ASSEMBLY

THIRD DAY

Friday, 19th January 1951.

The Legislative Assembly met in the Assembly Hall, Old Public Offices, Bangalore, at One of the Clock.

Mr. Speaker (The Hon'ble Sri V. Venkatappa) in the Chair.

STARRED QUESTIONS

(to which oral answers were given).

Mr. SPEAKER.—(The Hon'ble Sri V. Venkatappa).—Questions. Question No. 49. Janab J. Mohamed Imam.

Amounts at the credit of Government in the shape of securities, deposits and other investments.

Mushir-ul-Mulk J. MOHAMED IMAM Chitaldrug *cum* Tumkur—Muslim).—

Will the Government be pleased to state :—

(*a*) the amount that was at their credit in the shape of securities, deposits and other investments on 1st July 1947 and on 1st November 1950 (details under each head may kindly be furnished);

(*b*) the total securities sold since 1st April 1950 ?

A.—**The Hon'ble Sri H. C. DASAPPA** (Minister for Finance and Industries).—

	Rs. in lakhs.	
	1-7-1947	1-11-1950
(*a*) Cash Balance ...	279·67	309·95
Fixed Deposits ...	334·66	21·47
Investments in Securities and Shares ...	2738·00	1615·20
Total ...	3352·33	1946·62

(*b*) Rs. 205 lakhs.

Janab J. MOHAMED IMAM.—With reference to the answer to (*a*) may I know what happened to the remaining amount ?

The Hon'ble Sri H. C. DASAPPA.—It has been drawn by the Government.

Janab J. MAHOMED IMAM—For what purpose was this utilised ?

The Hon'ble Sri H. C. DASAPPA.—When moneys are drawn, they are drawn for various requirements and we cannot say that for a particular item only they are drawn. They were drawn for the ways and means position and utilised by the Government.

ಜನಾಬ್ ಜೆ. ಮಹಮದ್ ಇಮಾಂರವರು.—It has been stated here that securities worth Rs. 205 lakhs were sold. ಮಾರಿದ ಮೇಲೆ ಇನ್ನು ಉಳಿದ ಸೆಕ್ಯೂರಿಟಿ ಎಷ್ಟು ಎಂಬುದನ್ನು ಹೇಳಬಲ್ಲರಾ ?

ಮಾನ್ಯ ಶ್ರೀ ಎಚ್. ಸಿ. ದಾಸಪ್ಪನವರು.—ಉತ್ತರದಲ್ಲೇ ಇದೆ. Investments in securities and shares is Rs. 1615·20 lakhs (face value). You have got it there.

ಜನಾಬ್ ಜೆ. ಮಹಮದ್ ಇಮಾಂರವರು.—ಆ ಇನ್‌ವೆಸ್ಟ್‌ಮೆಂಟ್‌ನಲ್ಲಿ ಷೇರುಗಳೆಷ್ಟು, ಸೆಕ್ಯೂರಿಟಿ ಎಷ್ಟು ?

The Hon'ble Sri H. C. DASAPPA.—Investment in shares will be round about Rs. 130 lakhs.

ಜನಾಬ್ ಜೆ. ಮಹಮದ್ ಇಮಾಂರವರು.—ಹೋದ ಬಡ್ಜೆಟ್ ಅಧಿವೇಶನದಲ್ಲಿ 6 ಕೋಟಿಯ ಷ್ಟು ಸೆಕ್ಯೂರಿಟಿ ಮಾರುತ್ತೇವೆಂದು ಹೇಳಿದ್ದೀರಿ. ಆ 6 ಕೋಟಿಯು ವರೆಗೂ ಮಾರಿ ಷ್ಟಕ್ಕೇ ನಿಲ್ಲಿಸಿದ್ದೀರಾ ?

ಮಾನ್ಯ ಶ್ರೀ ಎಚ್. ಸಿ. ದಾನಪ್ಪನವರು.—ನಾವು ಆಗ್ಗೆ ಹೇಳಿಷ್ಟು ಮಾರಿಲ್ಲ. ನದ್ಯಕ್ಕೆ 205 ಲಕ್ಷ ಮಾತ್ರ ಮಾರಿದ್ದೇವೆ

Janab J. MOHAMED IMAM.—May I know in what different forms this amount is invested ?

The Hon'ble Sri H. C. DASAPPA.—My Hon'ble friend should have asked a plain question like that. Anyway I will furnish him an answer.

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* Speeches asterisked indicate that they have not been revised by the members concerned.

Janab J. MOHAMED IMAM.—I have not failed in my duty. I have indicated that details under each head may be furnished.

The Hon'ble H. C DASAPPA.—Details under each head have been indicated. Hon'ble Member is now asking possibly a relevant question as to how these moneys have been spent. I shall give some answer though it is fairly a longish one. Our advances have increased from Rs. 141·67 lakhs at which they stood on 1st July 1947 to Rs. 283·94 lakhs Objection Book Advances have increased from Rs. 45·34 lakhs to Rs. 75·55 lakhs during 1st July 1947 to 1st March 1950; Loans from Rs. 50·54 lakhs to Rs. 139·12 lakhs during 1st July 1947 to 1st April 1950; Departmental Balances have increased from Rs. 3·17 lakhs to Rs. 10·01 lakhs. That is so far as advances are concerned. That gives a net rise of about Rs. 180 lakhs under Advances. That is the major head I am telling the Hon'ble Member.

The next is about Loans. The increase in loans total about Rs. 87 lakhs, *i.e.*, the different loans to local bodies, industrial, Gold Mining and so on.

Then the next major item in which the Hon'ble Member is interested is Capital. For capital programme, the rise during this period from 1st July 1947 to 1st March 1950 would be somewhat like this : Mysore Railways from Rs. 702·60 lakhs to Rs. 768·02 lakhs; an increase of about Rs. 65·5 lakhs nearly; K. R. S. Works from Rs. 507 lakhs to Rs. 517·07 lakhs, a rise of nearly Rs. 10·36 lakhs; Thunga and Lakkavalli about Rs. 81 lakhs.

Janab J. MOHAMED IMAM.—On a point of explanation, Sir, my question is about current assets and investments. I think my Hon'ble friend is confusing with capital investment. It is not at all my intention. My question is how the money, 19 crores, is invested and where it is kept, because it is a cash investment. I am not speaking about capital investments such as Krishnaraja Sagar or advances or loans.

Mr. SPEAKER.—That information has been given.

The Hon'ble Sri H. C. DASAPPA.—A plain question was asked as to what that amount was utilised for. After confirming that that was the question he asked, I proceeded to give these answers.

Janab J. MOHAMED IMAM.—There is some confusion. If I am misunderstood, I am sorry. I wanted to know how and in what form and where these cash investments and securities to the extent of Rs. 10 crores and 46 lakhs have been invested.

The Hon'ble H. C. DASAPPA.—That is exactly the answer I am giving the Hon'ble Member. Under Advances there has been a rise of about Rs. 180 lakhs during the period; under Loans about Rs 89 lakhs; under capital programmes: Mysore Railways projects Rs. 65·5 lakhs; K. R. S. Rs. 10·36 lakhs; Thunga and Lakkavalli projects—we have spent Rs. 81 lakhs; Hydro-electric Works about Rs. 486 lakhs; industrial and other works about Rs. 57 lakhs; Iron and Steel Works about 188 lakhs; under food operations—advances for food and so on about Rs. 379 lakhs; the increase in capital will come up to about Rs. 12·66 crores. The total will be round about Rs. 16 crores.

Janab J. MOHAMED IMAM.—May I know what is the amount of liquid sources now available at the credit of the Government after having spent for all these capital works?

The Hon'ble Sri H. C. DASAPPA.—The balance; the balance is shown there.

Janab J. MOHAMED IMAM.—The amount available now with the Government is only Rs. 309 lakhs?

The Hon'ble Sri H. C. DASAPPA.—That is so far as cash balance is concerned.

Janab J. MOHAMED IMAM.—May I know what the amount now available is under "General Investment Account"?

The Hon'ble Sri H. C. DASAPPA.—Well, I want notice to give the details. The total amount available with the Government is indicated as Rs. 16 crores and 15 lakhs; about Rs. 130 lakhs or Rs. 135 lakhs in shares and the rest in securities.

Janab J. MOHAMED IMAM.—May I know what is the amount deposited to cover the depreciation fund, loan sinking fund and other funds under the rules?

The Hon'ble Sri H. C. DASAPPA.—All except the Rs. 130 lakhs or Rs. 135 lakhs. Deduct from Rs. 1615·20 lakhs about Rs. 130 lakhs or 135·7 lakhs and the rest is all invested in securities to cover these funds the Hon'ble Member is referring.

Janab J. MOHAMED IMAM.—May I know what is the amount available as statutory fund such as Irrigation Development Fund, etc.?

The Hon'ble Sri H. C. DASAPPA.—Notice. Sir, he has asked a very simple question and he wants to have a long debate on it.

Janab J. MOHAMED IMAM.—This question arises out of the question I asked. It is but fair that my friend must be prepared to answer this question. All these questions arise out of supplementaries. I want to know how much to the Irrigation Development Fund and how much to Loan Sinking Fund is included in this.

The Hon'ble Sri H. C. DASAPPA.—All that I can say now is that all the obligatory investments, as required, are perfectly safe and not one pie of it has been touched. All the various percentage investments required under these heads are there.

Janab J. MOHAMED IMAM.—After meeting these requirements what is the surplus amount available to meet both the capital and recurring expenditure of the Government?

The Hon'ble Sri H. C. DASAPPA.—I cannot give any answer to that. It does not arise, I must say. There is a Government Order. All that it says is, what are the obligatory funds which should be in securities. You have got various percentages, 20 per cent in some, 40 per cent in some and so on. These funds are perfectly safe. There is however no statutory obligation.

Janab J. MOHAMED IMAM.—After meeting the requirements of these funds, what is the surplus amount available?

The Hon'ble Sri H. C. DASAPPA.—The totals could be made up by the Hon'ble Member; the percentages are given. If he deducts them from Rs. 16 crores and 15 lakhs, that will be the result.

Janab J. MOHAMED IMAM.—According to the Hon'ble Minister the obligatory fund is about Rs 1,440 lakhs. So, shall I take that only one crore is available for expenditure?

(AN HONOURABLE MEMBER.—Pure mathematics).

(Janab J. Mohamed Imam was waiting for the answer).

The Hon'ble Sri H. C. DASAPPA.—Answered.

Janab J. MOHAMED IMAM.—So, I take it that only one crore is available.

The Hon'ble Sri H. C. DASAPPA.—Unless you reduce these percentages.

Sri G. A. ACHARYA (Bangalore District.—General).—It is stated that Fixed Deposit has come down from Rs. 334 to Rs. 22 lakhs.....

The Hon'ble Sri H. C. DASAPPA.—Rs. 309 lakhs repesent the cash balance.

Sri G. A. ACHARYA.—You have given figures for the investment in securities and shares. There is a statutory obligation that you have got to keep certain percentages as funds. Are these included in those funds?

The Hon'ble Sri H. C. DASAPPA.—In the first place I must correct the impression. There is no such statutory obligation, except in respect of the fund like the Insurance Fund, not in respect of all other funds that are shown therein. But the Mysore Government have followed a very wise and sound policy so far in seeing that certain percentages of these funds are kept in liquid securities. There is no doubt about it.

Sri G. A. ACHARYA.—I am not questioning the wisdom or otherwise. My question is, does this cash balance include all such depreciation fund, etc.?

The Hon'ble Sri H. C. DASAPPA.—That is so.

Sri M. V. KRISHNAPPA (Kolar District—General).—Out of the amount, how much of the depreciation fund has been deposited by the Iron Works?

The Hon'ble Sri H. C. DASAPPA.—The depreciation fund deposited by the Iron Works is about Rs. 180 to Rs. 190 lakhs.

Sri M. V. KRISHNAPPA.—What happened to that?

The Hon'ble Sri H. C. DASAPPA.—It is there in the 16 crores and 5 lakhs in the prescribed percentage

Sri M. V. KRISHNAPPA.—May I take it for granted that it is obligatory on the part of the Government to pay it back?

The Hon'ble Sri H. C. DASAPPA.—Sir, he is leading me to a very controversial topic. What obligation there is on the part of the Government is altogether a different question which I am not prepared to answer at this moment and commit the Government to that.

Sri M. V. KRISHNAPPA.—What was the purpose of setting up a depreciation fund for the industries?

The Hon'ble Sri H. C. DASAPPA.—The object is fairly clear, but I do not know whether that question arises. It is for meeting eventualities like replacements, developments, etc.

Sri A. BHEEMAPPA NAIK (Chitaldrug District—General).—Recently the Government of Mysore invested certain capital and incurred certain capital expenditure for the development of the Bhadravathi Iron Works. Would that not be a part of this depreciation fund?

The Hon'ble Sri H. C. DASAPPA.—There would be nothing wrong in so construing it.

Rajamantrapravina H. B. GUNDAPPA GOWDA (Hassan District—General).—The total securities sold is shown as Rs. 205 lakhs. Have they been sold at par or profit?

The Hon'ble Sri H. C. DASAPPA.—I do not remember having sold our shares. But securities we have sold to the tune of Rs. 205 lakhs. They have been sold at something above par.

Sri H. B. GUNDAPPA GOWDA. Is the permission of the Government of India necessary to sell securities now?

The Hon'ble Sri H. C. DASAPPA.—Does it arise under this question?

Sri H. B. GUNDAPPA GOWDA.—Naturally. The Government have sold securities.

The Hon'ble Sri H. C. DASAPPA.—I do not know whether it is absolutely necessary, but it is always desirable to take the advice of the Reserve ank. And just now their advice is that we should not unload the securities on the market, and as to whether it should be unloaded would be a matter for intimation later on.

Sri H. B. GUNDAPPA GOWDA.—Is there not a definite understanding between this Government and the Government of India in the matter?

The Hon'ble Sri H. C. DASAPPA.—This is mainly a matter with the Reserve Bank.

Sri M. GOVINDA REDDY (Chitaldrug District—General).—Are any of the securities invested on unproductive works?

The Hon'ble Sri H. C. DASAPPA.—They are mostly on productive works, but there have been things like food operations which my friend may construe as productive or unproductive.

Sri M. GOVINDA REDDY.—What part of the investment in shares is within the State and what part is outside the State?

The Hon'ble Sri H. C. DASAPPA.—Most of it is within the State. If the Hon'ble Member is referring to the Hindustan Aircraft, it is also within the State.

Janab MOHAMED VALIULLA (Kolar—Muslim).—Out of Rs. 19 crores, the whole sum of Rs. 46 lakhs is deposited under "Obligation", is it? Is it an obligatory deposit?

The Hon'ble Sri H. C. DASAPPA.—They are not all obligatory deposits.

Janab MOHAMED VALIULLA.—How many of them, out of Rs. 19 crores, are obligatory deposits?

The Hon'ble Sri H. C. DASAPPA.—Round about Rs. 14 crores. According to our present arrangement, there is no obligatory investment.

Janab MOHAMED VALIULLA.—So the Government are at liberty to sell the other Rs. 5 crores?

The Hon'ble Sri H. C. DASAPPA.—Yes.

Janab MOHAMED VALIULLA.—When do they intend to sell them?

The Hon'ble Sri H. C. DASAPPA.—That is a hypothetical question.